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# Family and Social Services Administration 2006-07

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*The Vision of the Agency...*

# FSSA - Budget Limitations

- Recent Medicaid growth has exceeded 10%.

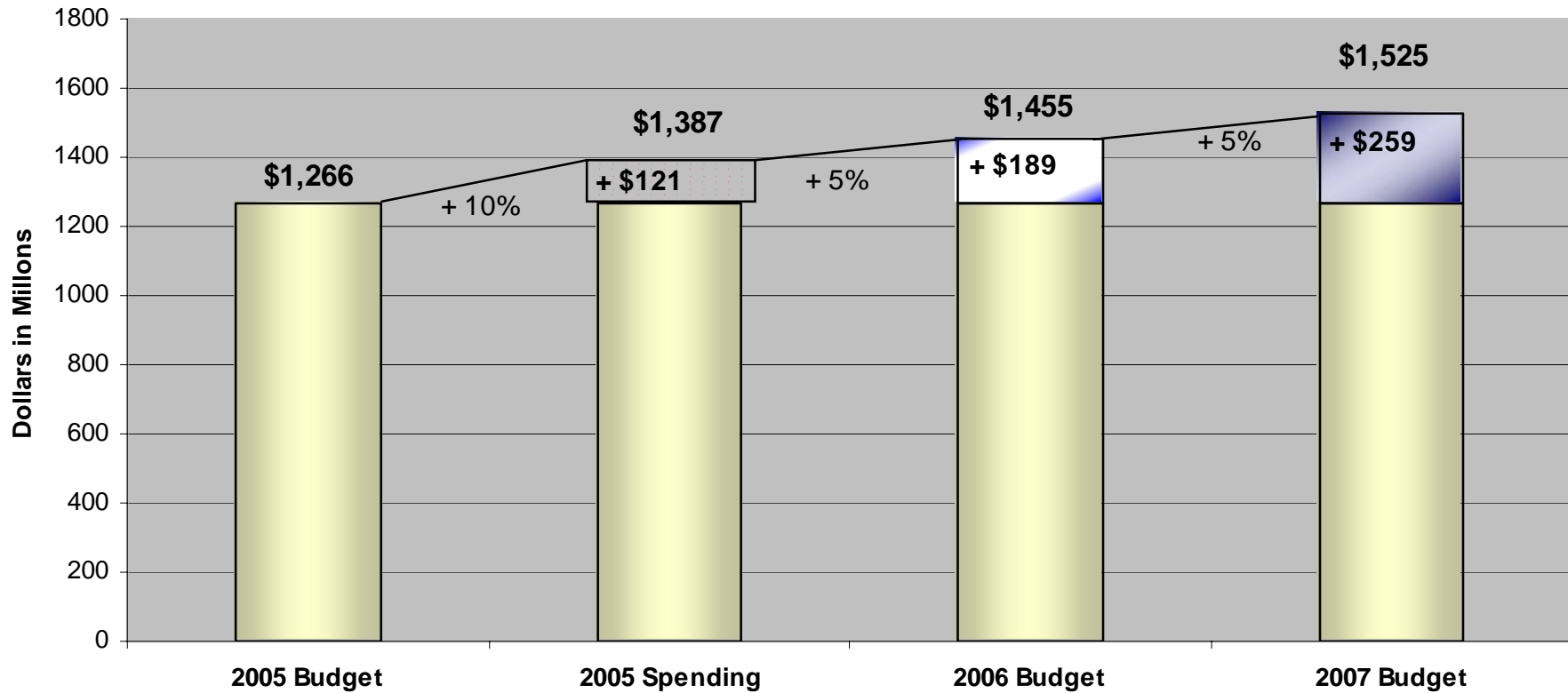
But . . .

- Future Budgets are limited to 5% growth.

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- So, Healthcare services must . . .

- Be provided to those who are entitled.
  - Be restricted from those who are not entitled.
  - Be provided more efficiently.
  - Be provided within the appropriated budget.
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**FSSA - State General Fund  
Medicaid Expenditures**

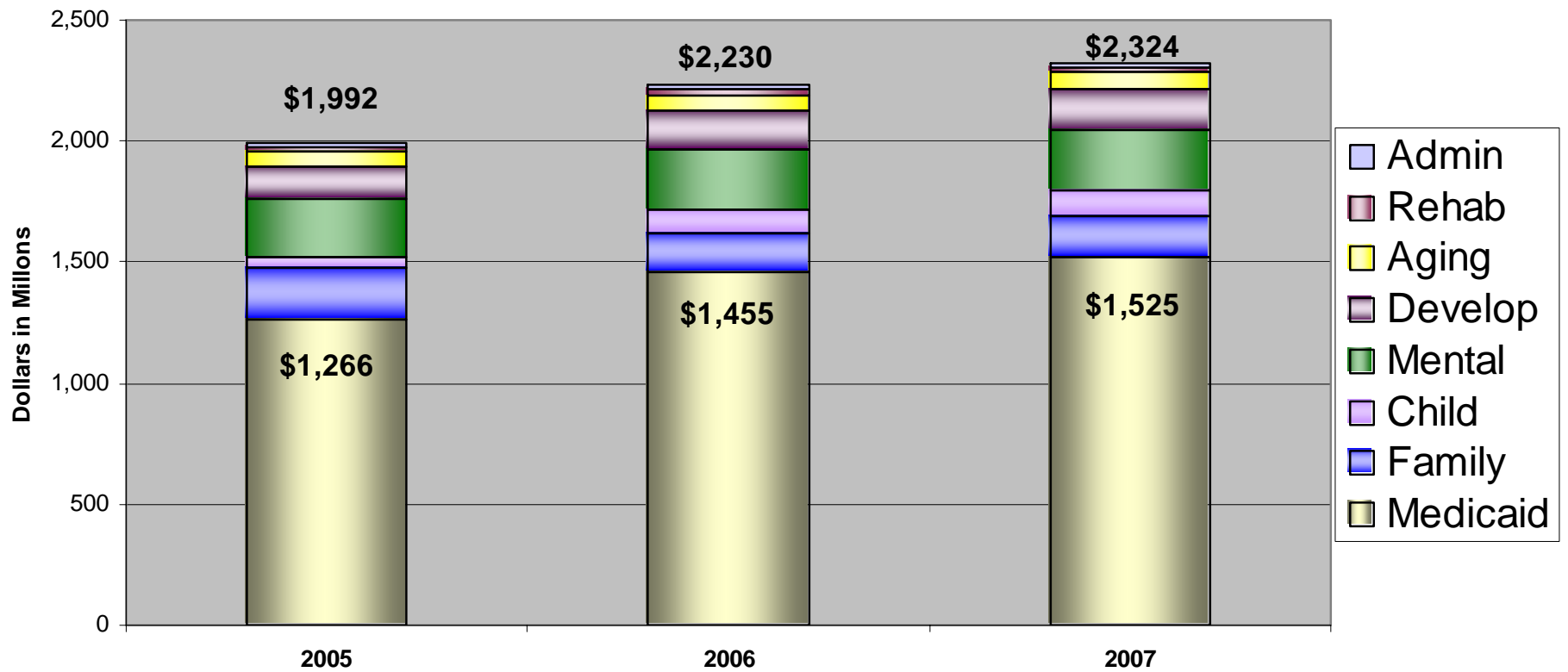


# FSSA Budget: 2005 - 2007

	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
Administration	16	15	15
Rehabilitative Services	17	24	24
Child Services	-	98	106
Aging & Disability	66	65	65
Developmental Disabilities	130	126	142
Family Resources	255	195	195
Mental Health	242	252	252
Medicaid	1,266	1,455	1,525
Total	1,992	2,230	2,324

State General Fund Dollars

**FSSA  
Budget 2005-2007**



## Where is FSSA now?

- Medicaid budget is overspent by \$121M in FY 2005.
- There is no central accounting system.
- There is no Medical Director or clinical oversight.

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## A Re-Design of FSSA

FSSA must provide services to Indiana's needy while living within our means!

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To drop the growth rate to 5% and ensure citizens receive needed services . . .

*FSSA must re-design  
our care model.*

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*The least compassionate care is to allow the system to become insolvent.*

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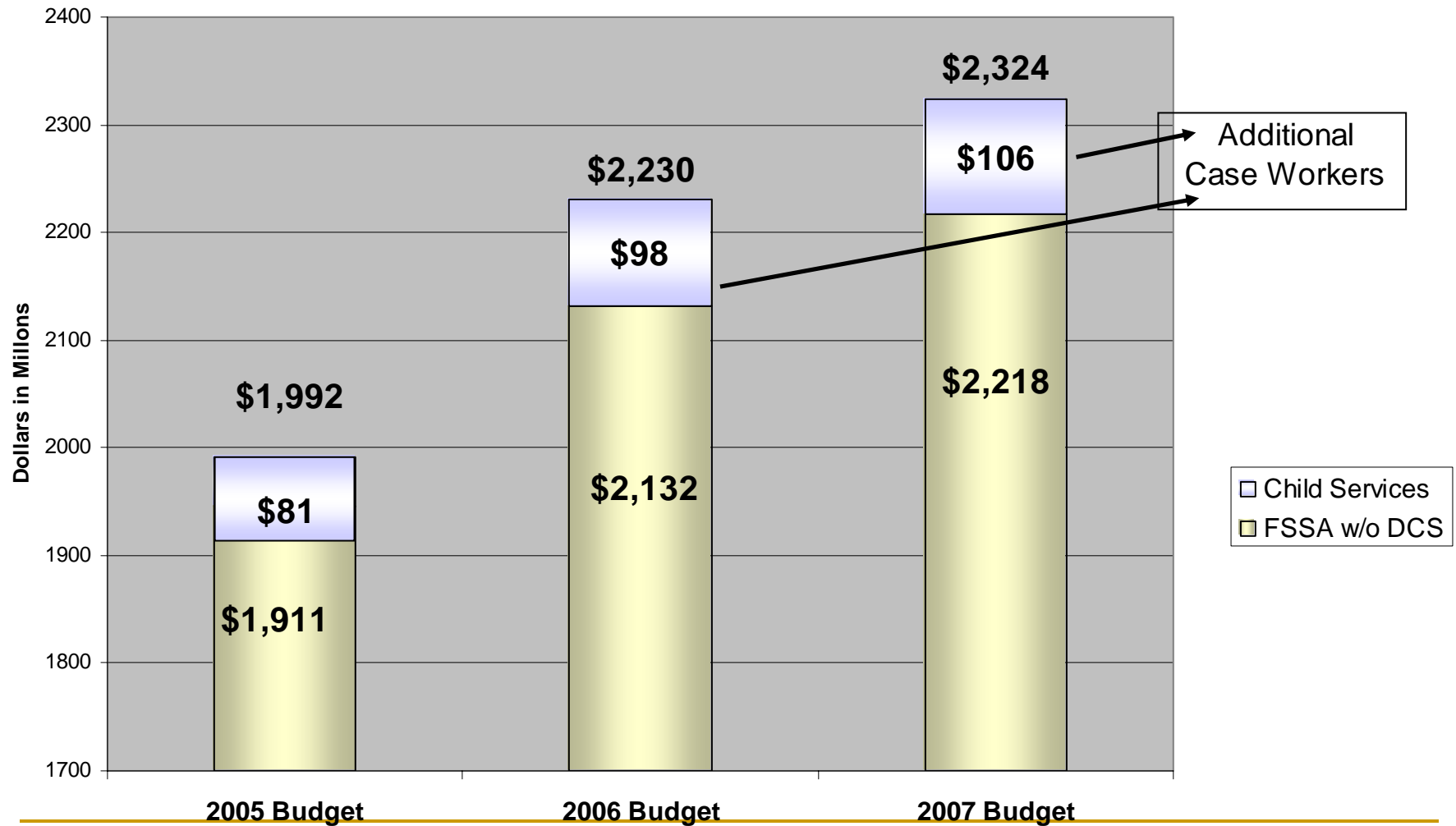
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# Initial Strategy – Department of Child Services

- Fix child problems first.
  - Establish Department of Child Services.
  - Transition child services to new Department.
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## Department of Child Services Separated from FSSA



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# Initial Strategy – IMPACT

## Indiana Manpower Placement and Comprehensive Training

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- Improve Coordination of IMPACT services.
  - Move services to the Department of Workforce Development.
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## Initial Strategy - Eligibility

- Evaluate the eligibility and intake process.
  - Ensure those entitled are served by FSSA.
  - Restrain those not entitled to benefits.
  - Reduce the high error rate within the system.
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# Initial Strategy – FSSA as a Healthcare Financing Agency

- ***Focus on Four product lines:***
    - Maternal and Child Health
    - Aging
    - Disability and Rehabilitative
    - Mental Health
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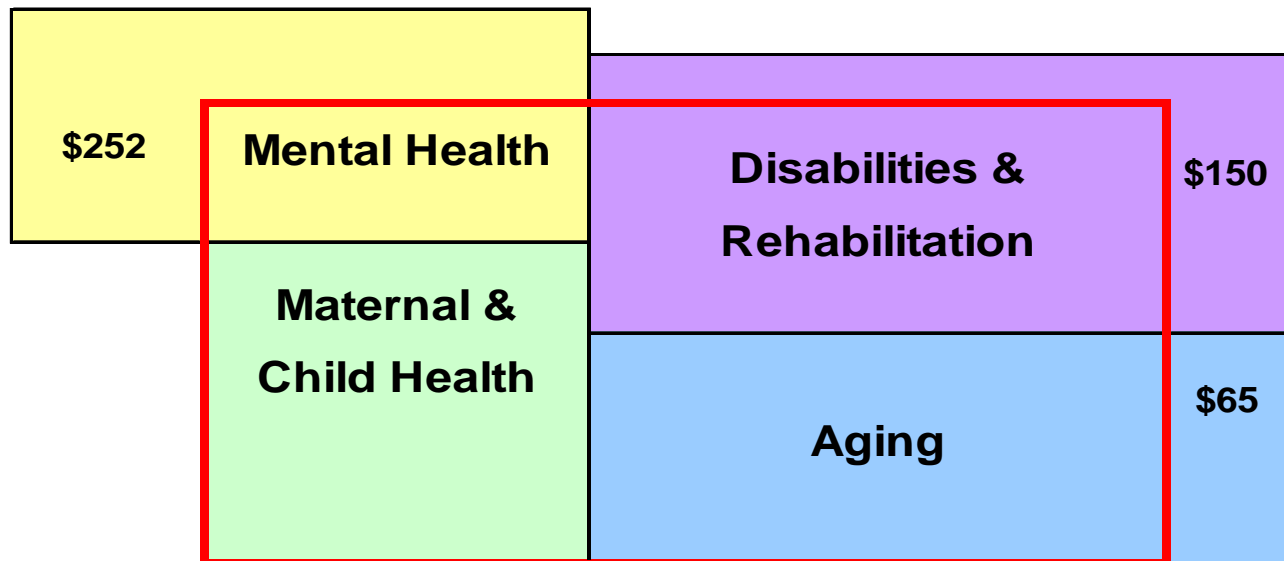
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# Initial Strategy – FSSA as a Healthcare Financing Agency

- **Link clinical data with financial data.**
  - **Develop competencies:**
    - **Reinvent how services are performed.**
    - **Improve contract management process.**
    - **Become good at personnel management.**
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## FSSA: A Healthcare Financing Organization

Family Resources \$195	Child Services \$98	Admin \$15
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Total Medicaid '06 Budget: **\$1.455 Billion** State General Funds

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## Specific Actions for FSSA

1. Perform entry audit of operations and financial processes.
  2. Implement a central accounting system.
  3. Capture clinical outcome data.
  4. Expand risk-based managed care options.
  5. Evaluate all programs for recipient benefits.
  6. Eliminate funding for 'Step Ahead' program.
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## Specific Actions for FSSA

7. Evaluate eligibility criteria and intake process.
  8. Analyze high-cost patients and waiver programs.
  9. Reduce Medicaid error rates.
  10. Restructure 'First Steps' program.
  11. Review FSSA ownership of hospitals.
  12. Identify Medicaid recipients who should receive Medicare support.
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## FSSA – 2006 Unknowns

- The impact of the new federal drug program, Part “D”, is currently unknown.
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